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TAGS: [PGOV](#) [SOCI](#) [PHUM](#) [EC](#)  
SUBJECT: INDIGENOUS PROTEST FTA, OXY; GOVERNMENT MINISTER  
RESIGNS

¶1. (SBU) Summary: Government Minister Alfredo Castillo resigned on May 15 after indigenous blocked key highways throughout eight central provinces beginning on March 14 to threaten an indefinite "progressive national mobilization" demanding an end to FTA negotiations, the expulsion of Occidental Petroleum, the destitution of President Palacio and the convocation of a constituent assembly. Long threatened, the indigenous protest is led by CONAIE president Luis Macas and the highlands indigenous group ECUARUNARI, and represents a critical test of the movement's strength and organizational capacity, which had been questioned in recent years. Coinciding with ongoing provincial strikes in the heavily indigenous highlands region, the indigenous mobilization took the government by surprise. GOE officials have entered into discussions with indigenous leaders, but cannot accede to indigenous demands if an FTA accord is to be reached. End Summary.

#### Minister of Government Resigns

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¶2. (U) Minister of Government Alfredo Castillo announced his resignation on March 15, saying he will remain in the position until March 17. Castillo said his departure is due to his disagreements with other GOE members regarding the FTA. It is widely assumed that Felipe Vega, Vice Minister of Government, will replace Castillo.

#### Indigenous Mobilize

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¶3. (SBU) CONAIE began its nation-wide public protests on March 14, demanding an end to FTA negotiations, the expulsion of Occidental petroleum, the resignation of President Palacio, and the convocation of a constituent assembly. The protests took advantage of previously scheduled widespread provincial strikes in eight highland provinces. The action by indigenous and "campesino" groups began with a march on March 13 beginning in Puyo, in which Luis Macas, the head of Ecuador's largest indigenous organization CONAIE, participated. The marchers are expected to arrive in Quito on March 16. So far there have reportedly been 20 arrests and 6 wounded in clashes between protesters.

¶4. (U) In Puyo, on the afternoon of March 15, protesters reportedly took 15 soldiers hostage, injured six police officers, and took over the city's IRS-equivalent office and the governor's office. Violent clashes also occurred in the city of Macas. In Quito, there were road blockages near a school and near the presidential palace, resulting in two

arrests. Other protest actions as of March 15 include: Chimborazo province, road blockages; Canar province, road blockage; Zamora Chinchipe province, anti-FTA/Oxy protests; Azuay province, indigenous blockages; Tungurahua province, strike is reaching a resolution; Imbabura province, 4 injured after protests; and Cotopaxi province, 2 injured.

#### Indigenous Threatening Larger Uprising

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¶5. (SBU) Raul Ilaquiche, VP of indigenous group Ecuarrunari, told us on March 15 that indigenous leaders, including Luis Macas, had held discussions with Vice Minister of Government Felipe Vega until 5 a.m. that day, and were waiting for a public announcement from the President before deciding on next steps. As of 17H00 on March 15, there has been no official government response. PolOff also spoke with Santiago de la Cruz, VP of CONAIE, on March 15, who said that if there was no response by March 16, there would be an increase in protest activity including increased road blockages, the occupation of government institutions, facilities, and increased coordination with other social groups. Indigenous groups will demand a GOE response to their demands on an FTA and Occidental petroleum. Presidential Secretary for Communication Enrique Proano has publicly stated that the protesters requests regarding the FTA cannot be met by the government. Guayaquil business chambers have reiterated their support for an FTA and are calling on indigenous groups to drop their demands.

#### President Concerned About Political Situation

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¶6. (U) President Palacio, president of Congress Wilfrido Lucero, and president of the Supreme Court Jaime Velasco met on March 15 to discuss the country's political situation. Lucero reportedly later expressed worry that some groups are interested in destabilizing the country. Meanwhile in Congress, PSC deputies are accusing leftist parties and former President Gutierrez' Patriotic Society Party of seeking to destabilize the country.

#### Comment

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¶7. (SBU) The main goal of indigenous groups seems to be to intimidate the already weak Palacio government from reaching an FTA agreement in Washington from March 23. The protests will severely test indigenous movement strength. Street actions could prove hard to maintain; recent indigenous efforts to mobilize have largely failed. CONAIE's gambit may also have electoral motivations to consolidate indigenous support for an indigenous candidate such as Macas.

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